

Be sure that the bottom of your voucher is signed and completed,
and that your purchase package is submitted
no more than 45 days after closing.

1. The RD LOAN NOTE GUARANTEE must be the original & has to be received before the purchase can take place. Be sure signature is original. Signed original or copy of PRIVATE MORTGAGE INSURANCE CERTIFICATES (Genworth) must be received before purchase can take place. They must be 'A Paper' quality as per the agreement between MBOH and the private mortgage insurance companies. If not servicing, please fill in the Servicing Transfer Data. Original FHA & VA INSURANCE CERTIFICATES can be 'to-follow' documents and are allowed 90 days from the purchase date to be received.

2. The original NOTE must be sent before purchase can take place. It must contain signatures of each borrower, co-borrower and/or co-signer and be endorsed by the lender to Montana Board of Housing. Be sure the property address on the note matches that for which the loan is being made. If payments have been made, a loan history breaking out principal, interest and principal amount after each payment is required.

3. The ASSIGNMENT OF DEED OF TRUST needs to be the original or a clerk & recorder's certified copy with original clerk's stamp and signature. Must contain the Deed of Trust information proving it has been transferred to the Montana Board of Housing. Needs to be signed by lender representative and notarized. As an alternative to the Assignment of Deed of Trust, can present a copy of the MERS ONLINE SUMMARY page showing the transfer of the loan to Montana Board of Housing including the number assigned by MERS.

4&5. For a NEIGHBORHOOD HOUSING STATEWIDE PROGRAM 1st only, include the original NHS note. For a NEIGHBORHOOD HOUSING STATEWIDE PROGRAM 1ST & 2ND, a separate loan is being made by MBOH. Therefore, the trust indenture and note for the second loan must be filled out and the originals sent with the purchase package. The mortgage must be recorded. NOTE: Blank documents for the NHS (MHN) loans should be sent to you at the time the funds are reserved and a commitment is given.

6. A copy of the original recorded DEED OF TRUST document is needed in the purchase package. The originator keeps the original. The MBOH Uniform Rider must accompany the Trust Indenture and be consecutively recorded with the Deed of Trust. When applicable, also record consecutively the VA Assumption Rider, NHS (MHN) Rider, Manufactured House Rider, or the Condo Rider. Be sure to mark which riders are attached under the 'Riders' section of the Deed of Trust. Please verify proper names, loan amount, legal description, property address, signatures of borrowers & must be notarized.

7. The original MORTGAGE TITLE INSURANCE POLICY, if not available at time of purchase, must be received within 90 days of funding. The policy must name MBOH as the 'insured party', show sufficient coverage, and show proper address & borrower(s). Remember to include evidence of endorsements 100, 116, 8.1 and, if a manufactured home, FA7

7a. If the original Mortgage Title Insurance Policy is not available at time of purchase, a copy of the TITLE COMMITMENT can be accepted but it must show the above needed information.

8. The HUD-1 SETTLEMENT STATEMENT is used to check figures relating to the loan calculations. Can be original or a copy. These figures include the amount of: mortgage insurance, loan origination fees/costs, hazard insurance and acquisition costs. HUD-1 settlement statement figures are also used to help determine if RD loans have the required \$1,500 or \$500 investment by the borrower. Both the borrower & seller HUD-1's are needed except in the case of a rollover of a construction loan. The HUD-1 must be signed by the borrower, seller & settlement agent and does not have to be original or certified. The lender/settlement agent signature can be placed on the addendum of the FHA HUD-1. NOTE: Be sure NO CASH BACK to the borrower is generated on the borrower's HUD-1 settlement statement.

9. The MORTGAGOR'S AFFIDAVIT must be the original, signed by borrower(s) & lender, and notarized. Check for correct interest rate, mortgagor(s) name, property address, legal description and whether the property is a 'targeted' or 'non-targeted' area. Be sure to complete: #6 for household income & family size; #8 for previous ownership (a or b); #9 whether property is/is not in targeted area; #10 for acquisition cost; #14 when mortgagor is/is not an employee or related by blood.

10. The SELLER'S AFFIDAVIT must be the original, signed by seller(s) and notarize. Check for seller(s) name, seller (s) address, mortgagor(s) name and the property address. Be sure to complete: #1 definition of seller (a-d); #7 for Acquisition Cost of residence to the mortgagor (must match Mortgagor's Affidavit); and #9 whether seller is/is not an employee or related by blood.

11. The copy of the LOAN APPLICATION included in the purchase package should be the final application signed at closing. Must certify a 'face to face' interview was conducted. Any applicable HUD form 92900 or VA form 26-1802a addendums must be completely filled in and signed appropriately by the lender and the borrower(s). No addendums required on Deep Equity, RD or PMI loans.

11a. In case of a VA and FHA loan, the VA DISCLOSURE STATEMENT (signed only by the borrower that is a veteran) or FHA DISCLOSURE TO BUYER needs to be supplied.

12. For INCOME, include information for all household members 18 years and older. Acceptable verification of income includes: copy of current VOE from employer, profit/loss statement and tax returns for self-employed, proof of child support, benefit letters from Social Security, Veteran's Association or pension. In case of a household member who is not contributing to household income, need signed statement from that

individual stating the above. Any additional income found since the reservation must be reported to MBOH. Borrowers must qualify at the time of purchase. NOTE: MBOH does not accept 'verbal verification' of employment.

13. If the property is located in a NON-targeted area, copies of FEDERAL TAX RETURNS for the past three years are needed to prove that no prior ownership has taken place. Borrower(s) must sign returns.

14. A copy of the RECAPTURE NOTICE which should have been presented and signed at the time of the initial application.

15. An original or copy of the NOTICE TO MORTGAGOR OF MAXIMUM RECAPTURE TAX form is required in the purchase package. Check for mortgagor(s) name, correct address, loan closing date, loan amount at closing and #3 should be the MBOH limits found on the Max Income Limits sheet provided by MBOH. Under the table section, the recapture figures must be used. These figures are allowed to increase by .05 each year. Multiply the beginning income amount by 1.05 to get the limit for the second year and continue this calculation through ninth year. Be sure that calculated form is signed by the borrower(s).

16. A copy of the BUY-SELL AGREEMENT initialed on pages 1-6 and signed by the borrower(s) and seller(s) on page 7. Include any counter offers and/or addendums signed by borrower(s)/seller(s) which change any part of agreement. Agreement must have: correct property address, legal description, personal property listed, and price & terms defined. If substantial personal property present (i.e. satellite dish, hot tub, storage shed), please supply the Personal Property Statement provided by MBOH signed by the buyer(s) stating said personal property is of no value and will not be sold to make a profit. If multiple lots listed under legal description, provide proof home encumbers all lots or that lots cannot be sub-divided & sold off.

17. EVIDENCE OF HAZARD INSURANCE is required to purchase. Provide a copy of the binder showing adequate coverage to rebuild and/or replace with at least 120% contingency. With this verbiage included in the binder, we will deduct land value from the loan amount in order to verify replacement cost. Deductible should not exceed \$1,000. MBOH needs to be named as 'First Mortgagee' and if not, a copy of the request for change of mortgagee clause must be included.

18. EVIDENCE OF FLOOD INSURANCE is required if property is located in a special flood area or FEMA Zone A as evidenced through a flood certificate or by the appraisal under the 'Site' section. Deductible should not to exceed \$1,000. MBOH needs to be named as 'First Mortgagee' and if not, a copy of the request for change of mortgagee clause must be included.

19. A copy of the UNIFORM RESIDENTIAL APPRAISAL REPORT pages 1-6 and any attached addendums (form 1004,1004C or 1073). Land limitations and possible rental situations are checked through the appraisal. The 35% rule as it pertains to individual or community water/septic systems, only

applies to new construction. Site Value is divided by the appraised value to get the 'loan to value'. If over 35%, provide proof that systems do not have any violations.

19a. Completion of Repair letter as signified by appraiser checking "subject to completion..." or "subject to repair..." under the Reconciliation part of the appraisal.

20. One clear and/or colored PHOTOGRAPH OF MORTGAGED PROPERTY is required.

21. If Rural Development, RD GUARANTEED RURAL HOUSING LENDER CHANGE form must be filled in with: A. lender who is transferring the loan and/or servicing of loan; B. Holding Lender should be Montana Board of Housing; C. lender who will be servicing loan if the lender listed under A. is not servicing; D. borrower(s) information. Be sure to include Lender Tax ID's and signed by lender representative.

22. The EARLY DELINQUENCY COUNSELING FORM is required for all loans and needs to be signed by borrower(s).

23. "SETASIDES ONLY" required documents:

23a. The LETTER FROM SPONSORING AGENCY

23b. The RELEASE OF FINANCIAL INFORMATION form defining 'project sponsor' (not MBOH) and signed by borrower(s).

23c. MHN CERTIFIED HOMEBUYER EDUCATION CERTIFICATE from eight (8) hour face-to-face MHN certified class. NOTE: Online classes not acceptable. Also required for Deep Equity.

updated 01/23/09